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ON THE APPLICATION OF SCIENCE AND TECHNOLOGY
FOR THE BENEFIT OF THE LESS DEVELOPED AREAS

SUMMARY

Agenda Item : D.2.3

Mexico

THE MODERNISATION OF LIGHT INDUSTRIES

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THE MODERNISATION OF LIGHT INDUSTRIES

SUMMARY

1. In their efforts to stimulate the development of heavy industry and economic growth in general, all countries without exception are faced with the problem of how to consolidate, develop and rapidly modernise their light industries.

2. The rational distribution of investments between the different branches of industry, within the context of development programmes, is one of the most important measures for ensuring that maximum advantage is taken of the financial resources available for heavy industry on the one hand and medium and light industry on the other.

3. In modernising light industry in the insufficiently developed areas, due consideration should be given, when high capital investment is not essential, to greater utilization of the abundant labour resources.

4. In many instances, the modernisation of light industry involves transition from domestic artisan type industry to true industrial production, and this gives rise to demands for credits, technical assistance and problems of organisation and administration.

5. Other points which require special attention in modernising light industry are the amount of working capital, general and cost accounting and sales methods and techniques.

6. In order to increase the flow of credits into light industry, the Guarantee and Development Fund for Light and Medium Industry has been functioning in Mexico since 1954, using federal funds held in trust by Nacional Financiera, S.A.

7. Operating through private credit establishments, the Fund seeks to meet the loan requirements of medium and light industrialists, whose capital is between $25,000 pesos (2000 dollars) and $5,000,000 pesos (400,000 dollars).

8. Another of the activities of the Guarantee Fund is to furnish technical assistance to any industrialists who may request it.

9. The credit institutions and various bodies entrusted with the supervision and encouragement of industrial development in the country, should advise the small industrialist how best to meet his capital needs and effectively modernise his plant, bringing to his notice existing sources of information, the work undertaken by consultant companies and the assistance which can be offered by the government and its various institutions to ensure greater success for his business.

10. Knowledge of new lines of production or new processes which will reduce costs and increase profits, can induce industrialists to modernise their plant and improve their competitive position.

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